

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

April 30, 2012

CERTIFIED RETURN RECEIPT 7011 0110 0001 3568 3292

Rob Reynolds Reynolds Sand and Gravel 6891 South 700 West, Suite 200 Midvale, Utah 84047

Subject: Notice of Cancellation/Termination of Reclamation Surety, Bond Numbers

Reynolds Sand and Gravel, Camp Williams Pit 3, S/035/0044, Salt Lake County,

Utah

Dear Mr. Reynolds:

The Division of Oil, Gas and Mining (Division) was notified that the surety bond for the referenced mine will be cancelled effective July 15, 2012. The terms of the surety state that the bond may be cancelled by the Surety ninety (90) days following receipt by the Division and Principal of such cancellation.

Paragraph 5 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice. If you fail to provide a replacement surety by June 16, 2012, the Division will be forced to do any/some of the following:

- Carry out the terms of surety bond number
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit.
- Issue a cessation order requiring cessation of all mining operations. A fine is associated with this order.
- Order immediate reclamation of all lands affected.



Page 2 of 2 Rob Reynolds S/035/0044 April 30, 2012

If you have questions or require assistance regarding the surety, please contact Penny Berry at (801) 538-5291 or by email at bondcoordinator@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

> Sincerely, EBM

Paul Baker

Minerals Program Manager

PBB:pb

Cc: Insurance Company of the West P.\GROUPS\MINERALS\\WP\M035-SaltLake\S0350044-CampWilliamPit3\final\cancel-operator-04302012.doc